



# PUBLIC NOTICE

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## MEDIA BUREAU ACTION

### INFLATION ADJUSTMENT FIGURES FOR CABLE OPERATORS USING FCC FORMS 1210 AND 1240 NOW AVAILABLE

This Public Notice is applicable to rate-regulated cable operators that use FCC Forms to justify their cable rates.<sup>1</sup> Cable operators adjusting the non-external cost portion of their rates for inflation should follow the instructions provided with the applicable FCC Form. All inflation adjustment figures are based on changes in the Gross National Product Price Index (GNP-PI) published by the United States Department of Commerce, Bureau of Economic Analysis (BEA). The Media Bureau obtained the chain-type price indexes from the BEA news release dated September 27, 2018 (BEA 18-51) at Table 1.7.4 (Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product) Line 4 (Gross National Product).<sup>2</sup>

#### **FCC Form 1210**

Operators filing FCC Form 1210 may make an annual adjustment based on inflation occurring from June 30 of the previous year to June 30 of the year in which the inflation adjustment is made. The inflation factor for the twelve months ended June 30, 2018 is 1.0241. Operators who wish to take this year's inflation adjustment using FCC Form 1210 should enter the figure "1.0241" on Lines I5 and J5 of the form. This year's inflation adjustment factor is calculated by dividing the second quarter 2018 GNP-PI (110.100) by the second quarter 2017 GNP-PI (107.510). Operators may take this year's inflation adjustment between October 1, 2018 and August 31, 2019.

#### **FCC Form 1240**

Operators filing FCC Form 1240 may make an adjustment based on quarterly figures. The second quarter 2018 inflation factor for operators using FCC Form 1240 is 1.0304. The adjustment factor of 1.0304 is a measure of the annualized change in prices occurring over the period from April 1, 2018 to June 30, 2018. The inflation adjustment factor is calculated by dividing the GNP-PI for the second quarter of 2018 (110.100) by the GNP-PI for the first quarter of 2018 (109.279). The result of this calculation is converted from a quarterly change measurement factor to an annual change measurement factor by raising it to the fourth power.

<sup>1</sup> Pursuant to 47 CFR § 76.922(d)(2) and § 76.922(e)(2) of the Commission's rules, cable operators may adjust the non-external cost portion of their rates for inflation.

<sup>2</sup> Table 1.7.4 can be found at this link:  
<https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=3&isuri=1&1921=survey&1903=42>

Operators calculating the Inflation Factor for a True-Up Period that includes some portion of the second quarter of 2018 should enter the inflation factor on the appropriate lines of Worksheet 1 of FCC Form 1240 as “0.0304.” Operators using this factor for calculating the Projected Period Inflation Segment of FCC Form 1240 should enter this number on Line C3 (January 1996 version), or Line C5 (July 1996 version) as “1.0304”.

To date, the Commission has released eighty-eight quarterly inflation factors for use with FCC Form 1240. The following table lists these factors beginning in 2013:<sup>3</sup>

<b>Year</b>	<b>Quarter</b>	<b>Dates Covered</b>	<b>Inflation Factor</b>
2013	First	Jan. 1, 2013 – Mar. 31, 2013	1.24%
2013	Second	Apr. 1, 2013 – Jun. 30, 2013	0.65%
2013	Third	Jul. 1, 2013 – Sep. 30, 2013	1.97%
2013	Fourth	Oct. 1, 2013 – Dec. 31, 2013	1.56%
2014	First	Jan. 1, 2014 – Mar. 31, 2014	1.28%
2014	Second	Apr. 1, 2014 – Jun. 30, 2014	2.11%
2014	Third	Jul. 1, 2014 – Sep. 30, 2014	1.42%
2014	Fourth	Oct. 1, 2014 – Dec. 31, 2014	0.12%
2015	First	Jan. 1, 2015 – Mar. 31, 2015	-0.03%
2015	Second	Apr. 1, 2015 – Jun. 30, 2015	2.10%
2015	Third	Jul. 1, 2015 – Sep. 30, 2015	1.32%
2015	Fourth	Oct. 1, 2015 – Dec. 31, 2015	0.87%
2016	First	Jan. 1, 2016 – Mar. 31, 2016	0.41%
2016	Second	Apr. 1, 2016 – Jun. 30, 2016	2.30%
2016	Third	Jul. 1, 2016 – Sep. 30, 2016	1.42%
2016	Fourth	Oct. 1, 2016 – Dec. 31, 2016	2.07%
2017	First	Jan. 1, 2017 – Mar. 31, 2017	1.96%
2017	Second	Apr. 1, 2017 – Jun. 30, 2017	1.01%
2017	Third	Jul. 1, 2017 – Sep. 30, 2017	2.09%
2017	Fourth	Oct. 1, 2017 – Dec. 31, 2017	2.33%
2018	First	Jan. 1, 2018 – Mar. 31, 2018	2.20%
2018	Second	Apr. 1, 2018 – Jun. 30, 2018	3.04%

<sup>3</sup> For pre-2013 inflation figures *see* DA 13-2056, 28 FCC Rcd 14654 (rel. October 23, 2013), available at <https://www.fcc.gov/general/inflation-updates-forms-1210-and-1240>.

The Commission releases a new quarterly inflation factor for operators using FCC Form 1240 four times each year. The inflation factor for a given quarter is usually released between three and four months after the end of the quarter, depending on the schedule of the Department of Commerce. The release of a new factor is posted on the Commission's Internet site at: <https://www.fcc.gov/general/inflation-updates-forms-1210-and-1240>.

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